

TOM BLILEY, VIRGINIA, CHAIRMAN

W.J. "BILLY" TAUZIN, LOUISIANA
MICHAEL G. OXLEY, OHIO
MICHAEL BILIRAKIS, FLORIDA
DAN SCHAEFER, COLORADO
JOE BARTON, TEXAS
J. DENNIS HASTERT, ILLINOIS
FRED UFTON, MICHIGAN
CLIFF STEARNS, FLORIDA
BILL PAXON, NEW YORK
PAUL E. GILLMOR, OHIO
SCOTT L. KLUG, WISCONSIN
JAMES C. GREENWOOD, PENNSYLVANIA
MICHAEL D. CRAPO, IDAHO
CHRISTOPHER COX, CALIFORNIA
NATHAN DEAL, GEORGIA
STEVE LARGENT, OKLAHOMA
RICHARD BURR, NORTH CAROLINA
BRIAN P. BILBRAY, CALIFORNIA
ED WHITFIELD, KENTUCKY
GREG GANSKE, IOWA
CHARLIE NORWOOD, GEORGIA
RICK WHITE, WASHINGTON
TOM COBURN, OKLAHOMA
RICK LAZIO, NEW YORK
BARBARA CUBIN, WYOMING
JAMES E. ROGAN, CALIFORNIA
JOHN SHIMKUS, ILLINOIS

JOHN D. DINGELL, MICHIGAN
HENRY A. WAXMAN, CALIFORNIA
EDWARD J. MARKEY, MASSACHUSETTS
RALPH M. HALL, TEXAS
RICK BOUCHER, VIRGINIA
THOMAS J. MANTON, NEW YORK
EDOLPHUS TOWNS, NEW YORK
FRANK PALLONE, JR., NEW JERSEY
SHERROD BROWN, OHIO
BART GORDON, TENNESSEE
ELIZABETH FURSE, OREGON
PETER DEUTSCH, FLORIDA
BOBBY L. RUSH, ILLINOIS
ANNA G. ESHOO, CALIFORNIA
RON KLINK, PENNSYLVANIA
BART STUPAK, MICHIGAN
ELIOT L. ENGEL, NEW YORK
THOMAS C. SAWYER, OHIO
ALBERT R. WYNN, MARYLAND
GENE GREEN, TEXAS
KAREN MCCARTHY, MISSOURI
TED STRICKLAND, OHIO
DIANA DEGETTE, COLORADO

JAMES E. DERDERIAN, CHIEF OF STAFF

U.S. House of Representatives
Committee on Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

Opening Statement the Honorable W.J. "Billy" Tauzin
Chairman, Subcommittee on Telecommunications, Trade, and Consumer Protection
Oversight Hearing on NTIA Reauthorization
April 24, 1997

Good morning. I would like to thank everyone for being here today to discuss the need to reauthorize the National Telecommunications and Information Administration, commonly referred to as NTIA.

Consistent with our past hearings, our primary objectives today are to educate Members of the Subcommittee and the general public on the purpose of NTIA and to determine whether NTIA is performing its duties and functions consistent with the 1992 statutory framework established by Congress.

As you may already know, NTIA is a small agency within the Department of Commerce. Some of NTIA's core functions include: serving as the President's principal adviser on telecommunications matters; assigning and managing spectrum for federal users; and, representing the United States on telecommunications trade matters. NTIA also administers several federal grant programs. In a few minutes, Shirl Kinney of NTIA will elaborate on NTIA's responsibilities in much greater detail.

Congress last examined NTIA's operations and functions in 1992. Five years is an extremely long period of time in the telecommunications industry. Just think what the telecommunications industry was discussing **five** years ago: expanded interconnection, video dialtone, open network architectures -- regulatory terms that have become quickly outdated, especially in light of the Telecommunications Act of 1996. Obviously, technology changes at a rapid pace, and the Federal government must change with it.

Let me say at the outset that I believe it may be possible to reduce NTIA's budget and their mission without disturbing some of the essential services that it performs. For example, one of the original missions of NTIA, to advise the President on Communications policy, may be a valuable service.

On the other hand, in an era where Americans are calling for a smaller more efficient government, we need to explore whether the functions performed by NTIA, are necessary, whether they can be replaced by other agencies, or whether they can be privatized. In this regard, I hope our distinguished panel of witnesses today, and in particular, my friend Larry Irving, can help us understand the role that the Office of International Affairs plays in establishing international policy as compared to the roles played by the FCC and Department of State. I also hope to learn more about the Office of Spectrum Management and why its functions cannot be performed by any other agencies. In addition, NTIA has approximately 90 employees that perform research for other government agencies and the private sector. I am anxious to investigate the possibility of privatization of these functions.

It's interesting to note that more than half the money requested by the President for NTIA's appropriation (approximately \$36 million) would be dedicated to its grant making functions. This hearing should examine whether these programs are essential ~~or whether~~ they are either duplicative or unnecessary. Critics allege that there are instances in which the money dedicated to these grant programs is already spent on similar programs in other federal agencies. These critics further charge that NTIA grants are, in fact, distorting the free market. They argue that private firms cannot survive when they are competing with entities that receive subsidies from the federal government. At a minimum, we need to ensure that the grant money is being used for its intended purposes. The end of the big government era must contain the elimination of programs and government efforts ~~that~~ harm small business in the name of infrastructure development or market development. As NTIA's reauthorizing agency, we must do our part to help balance the federal budget. Thus, we must take a hard look at the necessity of NTIA's grant programs.

One final point. NTIA has known for some time of Congress' interest in eliminating the Department of Commerce and drastically reforming the way NTIA operates. Consequently, I am particularly interested in addressing the issue of why NTIA has not aggressively reformed itself or taken other measures to improve the **efficiency** of its operations. I look forward to Mr. Irving's testimony today and I hope he addresses this point.

At the end of the day, the American public and this Subcommittee will be more educated on the question of whether targeted reform of NTIA is necessary, justified, and beneficial to American taxpayers.

I thank the witnesses here before us in advance and I look forward to their testimony.